[USER QUERY]

A 10 percent global tariff by Trump will do what? Discourage foreign buying from USA, harming USA. Also cost the American citizens more? Am I right?

[ASSISTANT RESPONSE]

You've hit on the two most significant concerns economists have raised regarding a universal 10% tariff. In short: Yes, you are largely correct.

While the administration argues that these tariffs protect domestic industry and provide leverage for better trade deals, mainstream economic theory and historical data point to the two major risks you mentioned.

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1. Discouraging Foreign Buying (Retaliation & Currency)

A global tariff typically harms U.S. exports in two ways:

* Retaliatory Tariffs: History shows that when the U.S. imposes broad tariffs, other countries respond with "tit-for-tat" taxes on American goods. This makes U.S. products (like crops, airplanes, and tech) more expensive for foreign buyers, causing them to look elsewhere.

* The Strong Dollar: Tariffs often cause the value of the U.S. dollar to rise. A stronger dollar makes American-made goods more expensive for anyone using a different currency, further depressing foreign sales.

2. Costs to American Citizens

There is a common misconception that the exporting country pays the tariff. In reality, a tariff is a tax collected by the U.S. government at the border from the American company importing the goods.

* Price Hikes: When an American retailer (like Walmart or an electronics store) has to pay 10% more to get goods into the country, they usually pass that cost onto the consumer to maintain their profit margins.

* Input Costs: Many American manufacturers rely on imported raw materials (like specialized steel or components). If their costs go up by 10%, the final "Made in the USA" product becomes more expensive for Americans to buy.

Comparing the Pro-Tariff vs. Anti-Tariff Arguments

| Feature | The Pro-Tariff View (Administration) | The Anti-Tariff View (Economists) |

| :--- | :--- | :--- |

| **Domestic Jobs** | Encourages companies to build factories in the U.S. to avoid the tax. | Increases costs for U.S. factories that rely on imported parts, leading to layoffs. |

| **Revenue** | Generates billions in tax revenue for the U.S. Treasury. | Acts as a "regressive tax" that hits lower-income families the hardest. |

| **Negotiation** | Forces other countries to lower their own barriers to the U.S. market. | Triggers global trade wars that stifle economic growth. |

The "Bottom Line" Impact

Current estimates from groups like the Tax Foundation and the Peterson Institute for International Economics suggest that a 10% global tariff could:

1. Reduce the size of the U.S. economy (GDP) by roughly 0.7% to 1%.

2. Cost the average American household between $1,500 and $2,500 per year in increased prices.

Would you like me to look up the specific industries or "exempt" countries that might be most affected by the new 10% tariff order?